"A COMPARATIVE STUDY OF INVESTOR PARTICIPATION IN ONLINE AND OFFLINE PLATFORMS OF STOCK MARKET IN MAHARAHSTRA"

A Synopsis submitted to the

SWAMI RAMANAND TEERTH MARATHWADA UNIVERSITY, NANDED

For the Award of the Degree of
DOCTOR OF PHILOSOPHY IN THE FACULTY OF COMMERCE

SUBMITTED BY
MRS. AYASHA KANJAN

(M.COM, NET)

UNDER THE GUIDANCE OF

Dr. Rampure Ramrao Babarao

(M.Com., M.Phil., Ph.D.)

Head of Department of Commerce

Madhavrao Patil College, Palam.

Research Center

Peoples College, Nanded

Introduction:

Stock markets play a vital role in the financial and economic development of a country. India has witnessed significant growth in the stock market over the years. There are several reasons behind this growth, like economic expansion, government policies, technological upgradation, investor security, and low interest rates. The fast growth and evolution in the technology during the era of the 21st century has led to significant transformation in the financial markets. Due to the advancement in the technology, there has been a shift from offline trading to online trading. Online trading has brought a revolution in the number of participants in the stock market.

In earlier times, informational, financial, and geographic hurdles confined participation in the stock market. Wealthier people and institutional investors with the means to negotiate intricate and frequently transparent processes tend to be excluded from traditional offline channels, which were defined by physical brokers, call-in structures, and physical transactions. However, the emergence of internet trading platforms has made the stock market more accessible to the general public by providing real-time market data, reduced transaction fees, and the flexibility to trade from any location. Thousands of new investors have entered the global stock market as a result of this change, which has caused a sharp rise in individual involvement.

By comparing online and offline venues, this doctoral research aims to investigate the way stock market involvement is changing in the digital age. Understanding these two kinds of platforms affect investor behaviour, decision-making, and general market dynamics is the main study subject. Its primary objective is to study the manner in which online and physical trading

environments differ in terms of user experience, accessibility, pricing, and possible hazards. This study will advance an understanding of the ways technological advancements have changed financial markets and the role of the individual investor by analysing the advantages and challenges provided by both platforms.

Relevance of the study:

1. A comparative analysis of both digital and physical stock market platforms, this study will add to the body of knowledge on financial markets.
2. Knowledge regarding the way investment behaviour and decision-making have changed as a result of digital platforms.
3. A thorough examination of the benefits and limitations of online platforms, with a focus on investor security, accessibility, and market efficiency.
4. Examining the impact of online platforms on trading costs and market efficiency is one of the objectives of this research.

Review of Literature:

Gujrathi, V., & Gouda, S. K. (2023). *The study on perception of investor towards Indian stock market*. *International Journal of Creative Research Thoughts (IJCRT)*, IJTSRD, (Volume - 11 | Issue – 2), ISSN: 2320-2882: The stock market is a platform where buyers and sellers interact to exchange shares that represent ownership in businesses. Under government regulation, these shares are listed on open exchanges for securities. Over the past few decades, the stock market has evolved significantly and attracted greater interest as a result of the possibility of making profitable investments. However, because of the stock market's inherent volatility, many investors are still hesitant to make an investment. With

a focus on understanding investors' actions, attitudes, desires, viewpoints, and awareness levels, this study explores the way investors view the stock market over various geographical regions.

Dr. Girish Kumar Painoli, (2019) IJRAR, Factors influencing investment decisions in Indian stock market: an emperical study, (Volume - 6 | Issue – 2), P- ISSN 2349-5138: The study emphasizes how important a number of factors are in determining the choices made by traders in the Indian stock market. The study examines that there are various socioeconomic and psychological aspects which impact investment decisions in light of the increased involvement of youngsters and young investors. The factors influencing investment choices in the Indian stock market were investigated in the study. It lists the key elements that influence a person's choice to invest in the Indian stock market. These elements include dividend payments, financial statements, daily media coverage, the company's reputation in the industry, and the historical success of the stock. This outcome allows politicians and company administrators to give economic factors more weight when creating strategies for their shares as they are more directly linked to a firm's attributes and performance.

Objectives of Research:

1. To evaluate the growth in the stock market participation in the digital world.
2. To compare the investors experience of online trading vs offline trading.
3. To access the risk factors faced by investors in online trading
4. To investigate the contribution of online platforms in increasing the numbers of investors.

5. To explore the impact of online trading platforms on market efficiency.
6. To investigate the factors for investors to switch from offline to online trading.

Scope of Research:

The research would examine and record the advantages, disadvantages, and difficulties that investors encounter when using online and offline platforms to trade stocks in Thane district. The study will concentrate on a number of investor characteristics, such as age, income, education, and technological skill, and examine the way these aspects impact their use of online as well as traditional trading platforms.

The research will analyse how different groups interact with online and offline platforms, and how these platforms cater to their needs. Furthermore, the scope will include a comparison of the cost structures associated with both modes of trading, considering factors like commissions, transaction fees, and hidden costs.

It will also pay attention to the difficulties investors experience while using online platforms, such possible technological obstacles, security threats, and a lack of personal guidance.

Hypothesis:

The following hypothesis has been developed to answer the research questions:

H_o: There is no significant difference in stock market participation between online platforms and offline platforms in the digital age.

H_1: There is a significant difference in stock market participation between online platforms and offline platforms in the digital age.

H_0: Investors do not experience higher levels of convenience or ease of use on online platforms compared to offline platforms.

H_1: Investors experience higher levels of convenience or ease of use on online platforms compared to those on offline platforms.

H_o: Higher financial literacy does not significantly influence the choice of platform (online vs. offline) for stock market participation.

H_1: Higher financial literacy significantly influences the choice of platform (online vs. offline) for stock market participation.

H_o: Investors do not report higher satisfaction and better overall user experience on online trading platforms compared to offline platforms.

H_1: Investors report higher satisfaction and better overall user experience on online trading platforms compared to offline platforms.

H_o: The adoption of digital technology (online trading platforms) does not increase the trading frequency in the stock market.

H_1: The adoption of digital technology (online trading platforms) increases the trading frequency in the stock market.

Research Methodology:

The research will use a combination of **quantitative and qualitative** data collection methods:

Primary data:

Data will be collected through surveys. A structured questionnaire will be framed for collection of data from retail investors having experience of using online or offline platform for trading. For the questionnaires, a Likert scale will be applied.

Secondary data:

Data will be collected from stock market reports, research reports and financial industry publications to study the change in number of Investor participation after the trend of Online trading using online platforms.

Limitations of the study:

1. The sample may not represent the broader population of stock market participants, limiting the generalizability of the findings.
2. Focusing on a limited number of online or offline platforms may not fully capture the diversity of platforms available to investors.
3. Differences in investor experience and decision-making between online and offline platform users may affect participation patterns.

References:

Gujrathi, V., & Gouda, S. K. (2023) *The study on perception of investor towards Indian stock market*. *International Journal of Creative Research Thoughts (IJCRT)*, IJTSRD, Volume 11, Issue 2, ISSN: 2320-2882.

Dr. Girish Kumar Painoli, (2019) Factors influencing investment decisions in Indian stock market: an emperical study. IJRAR, Volume 6, Issue 2, P- ISSN 2349-5138.

Mrs. R. Swetha and Mrs. K. Harika (2020) A Project Report on Online Trading, JETIR, Volume 7, Issue 8, (ISSN-2349-5162).

N. RENUKAA, (2017) Study On Customer Awareness Towards Online Trading, Anveshana's International Journal Of Research In Regional Studies, Law, Social Sciences, Journalism And Management Practices, Volume 2, Issue 3, (ISSN-2455-6602).

Structure of the Thesis:

Chapter 1: Introduction

Overview of the research title, significance and objectives of the research.

Chapter 2: Literature Review

Review of existing studies on participation in the stock market, the shift from offline to online trading and technological developments in financial markets.

Chapter 3: Research Methodology

Explanation of the research design, data collection methods, and analysis techniques used in the study.

Chapter 4: Analysis of Online Trading Platforms: Features, Advantages, and Limitations

Chapter 5: Analysis of Offline Trading Platforms: Features, Advantages and Limitations**.**

Chapter 6: Data Collection, Analysis and Interpretation: Key Differences between online and offline platforms, cost comparison, and risks associated with both platforms.

Chapter 7: Conclusion and Recommendations: Suggestions for online and offline brokers to enhance user experience and attract more investors, Ideas in the manner regulators can improve security, transparency, and consumer protection in online trading.

Research Guide **Research Student**

Prof. (Dr) R B Rampure Ayasha Kanjan